

Summary of Proposed FY'12 Budget Process

The summary below outlines the anticipated budget process including interactions among staff, the Budget Committee and the Board and the types of issues which must be addressed. A timetable is suggested for the earlier stages of the budget process.

A. Basic budget development

- As is normally done, the Village Manager and the Finance Director will work to formulate an initial draft "budget". The draft budget will, in fact, consist of multiple scenarios, reflecting different assumptions about potential revenue streams, expense levels, inflation projections and use of reserves. One scenario will attempt to capture a detailed set of expense reductions commensurate with a decline in revenues.
- In developing the various scenarios, the Manager and staff will analyze expenditures by department, reviewing with the department heads: line-by-line expenditures, detailed information on personnel rosters and position responsibilities, and the potential consequences for service to Village residents of alternative expenditure reductions.
- The Manager will also collect information on, and review, all Village contracts.
- In developing the department-by-department expenditure budgets, the Manager will seek input from the relevant Village Committees.
- The Manager will develop a CIP budget reflecting Capital Project and Expenditure projections over a 5-year period. This CIP budget will identify potential capital projects and also the vehicle and equipment purchases needed to maintain current capabilities.

B. The Budget Committee and the Board

- The evening of January 6, the Budget Committee will meet, along with the Manager and staff, to review broad issues which will underlie the budget development: e.g., (1) existing resources, including General and Safe Speed funds; (2) how much of these funds needs to be set aside for working capital, potential program phase-out and income and expense contingencies; (3) the general scale of capital investment needs; (4) the longer-term outlook.
- At the subsequent Budget Committee meeting, tentatively scheduled for the week of January 17, the Village Manager will submit the initial draft budget to the Committee for its review and analysis.
- Subsequent to this Budget Committee meeting, a work session will be scheduled for the Board, at which the Manager will present the draft budget along with the Budget Committee's analysis for discussion. At this work session, the Board will be presented with (1) a list of issues which require policy decisions (most particularly those which will affect the level of Village services) and (2) information needed to make these decisions. A likely target for this work session is during the week of February 7.
- At the conclusion of this work session, the Manager and Budget Committee should have sufficient instruction to modify the draft budget and determine if and when appropriate to hold a second joint work session.
- Next steps:
 - Additional work session?
 - Further Budget Committee meetings?
 - April issue *Crier* article and insert drafted by the Manager and Chair of the Budget Committee
 - Presentation of the final budget to the Board at its March regular meeting
 - Public Hearing on the draft budget at the Board's regular meeting in April
 - Adoption of the final budget at the Annual Meeting in April